

SENATE BILL REPORT

SB 5788

As of February 23, 2009

Title: An act relating to state funding for low-income housing.

Brief Description: Addressing state funding for low-income housing.

Sponsors: Senators Prentice, Benton, Pflug, Hobbs, Shin and Kline.

Brief History:

Committee Activity: Financial Institutions, Housing & Insurance: 2/24/09.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

Staff: Philip Brady (786-7460)

Background: The Department of Community, Trade and Economic Development (CTED) administers the Housing Assistance Program (HAP) and the Affordable Housing Program (AHP), collectively referred to as the Housing Trust Fund (Trust Fund). These programs provide loan and grant monies to eligible organizations and communities to meet the basic housing needs of low-income and special needs populations. The Trust Fund is available to fund acquisition, new construction, and rehabilitation of low-income housing units.

The Housing Finance Commission (Commission) was created by the Legislature to assist in making affordable and decent housing available throughout the state. Federal law authorizes state housing finance agencies to issue tax-exempt revenue bonds to fund low-cost housing assistance.

County auditors collect a surcharge for affordable housing (\$10), and two other surcharges for local homeless housing and assistance, totaling \$18 per document they record. Each set of funds is directed to specific accounts and purposes, including some funds directed to CTED.

Summary of Bill: CTED must use a life-cycle cost analysis in its process for evaluating proposals for funding under the HAP. The Commission is permitted to use a life-cycle cost analysis in evaluating proposals for its funding.

County auditors collecting surcharges for affordable housing and homelessness assistance must report to CTED by September 30 of each year. The report must detail the process used

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for allocating funds, the actual use of the funds, and the criteria used in making funding decisions. CTED must then report to the Legislature by December 1 compiling the county reports and reporting on its own activities using any funds that come from auditor surcharges.

Appropriation: None.

Fiscal Note: Requested on February 21, 2009.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.